



OFFICE OF THE ASSESSOR

City of Burlington

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MEMORANDUM

TO: Board of Finance

FROM: John Vickery, City Assessor

DATE: October 6, 2011

SUBJECT: Request for valuation assistance of the "Redstone Lofts" which are under construction at 476 South Prospect Street UVM Redstone Campus. . Parcel ID#050-4-098-002

Dear Board of Finance,

The City Assessor's office is requesting funding assistance to have a certified independent appraiser conduct an appraisal of the new 403 bed student housing project now under construction. Given the scale of the project there lacks truly comparable property sales and market data within the State of Vermont. The Assessor's Office does not have the personnel or time resources to obtain supportive market data independently. To render a fair appraised value of this property we will need appraisal assistance from an appraisal firm that has the resources and special skills in valuation of private student housing developed in direct affiliation with a university.

The new 403 bedroom student housing complex should have a value around \$28,000,000 and this will result in around \$203,840 of Municipal tax and \$432,348 in Education tax. Given the magnitude of taxes it is highly probable that the property owners will hire a tax reduction specialist and legal defense to have the tax burden lowered as much as possible. Having an appraisal of the property which was conducted by an independent certified appraiser will increase the likely hood that this assessment will remain at a fair valuation.

In addition, there are two other similar type of on-campus student apartment complexes that are taxed (Centennial Court (162 beds) and Redstone Apartments (200 beds)). These property values could be reviewed for equity when market information is obtained via the appraisal. Several years ago Redstone Apartments valuation was contested which resulted in a legal compromise and the appraised value was lowered. Recently the property sold for significantly more than the adjusted value.

Based on the points made, I would like to request authorization of \$10,000 to obtain an appraisal by a qualified appraiser whom specializes in these types of property appraisals.